are not to be transferred beyond the language area;

(b) if so, the reasons for South India based private banks like Vysya Bank Ltd. posting clerks to Delhi and parts of North India and steps taken to discontinue the practice; and

(c) whether no member of the central committee of Vysya Bank employes union is to be transferred from his/her place of posting, if so, the reasons for not honouring the agreement between the bank and the employees union and steps Government propose to take to enforce the agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Para 536 of the Sastry Award provides that "in the case of workman not belonging to subordinate staff, as far as possible, there should be no transfer outside the State or the language area in which an employee has been serving , except, of course with his consent".

(b) and (c) Govt, of India is not responsible for management functions like transfer etc. in private banks, such as Vysya Bank Ltd.

Private Finance Recovery Agencies

2963. SHRI JOHN F. FERNANDES: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of mushrooming "Private Finance Recovery Agencies" throughout the country, despite there being no law to establish such agencies;

(b) if so, how many such agencies are operating in the country, State-wise;

(c) whether to stop the menace of extortion and high-handedness and at times, their taking law in their own hands by bypassing legal practices Government intends to pass legislation and legalise these agencies; and

(d) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (d) RBI's information reporting system does not generate information in the manner asked for. However, on the basis of some complaints received against a foreing

bank in 1997 regarding use of private collection agents and the use of muscle power by such agents for collection of dues, the RBI had called for a report from the Bank. The Bank is reported to have denied the use of muscle power and advised that the follow-up and collection of dues is done by their 'Authorised Business Associates' which is within the parameters of law.

Imposition of direct Tax Laws In Sikkim

2964. SHRI PRANAB MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether the Chief Minister of Sikkim has urged the Central Government to adjourn all pending cases relating to imposition of Direct Tax Laws in the State till the matter was resolved; and

(b) if so, the detaitls thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Yes.Sir.

(b) In a memorandum handed over by the Chief Minister of Sikkim to the Prime Minister on 29.6.98, it was requested that the provisions of Income-tax Act should not be made applicable to Sikkim as it amounts to violation of Article 371 F of the Constitution. Alternatively, he has requested that the Indians of Sikkimese origin as identified vide Sikkim Citizenship Orders, 1975 may be exempted from the purview of the Income Tax Act, 1961 leaving them to pay tax under the purview of the Income Tax Act, 1961 leaving them to pay tax under the State Tax Laws. It is also requested that till such time the matters is resolved, the Ministry of Finance be

directed to adjourn all cases pending in different courts.

During the discussions with P.M., it was stated that the issue of extension of Income Tax Act, 1961 to Sikkim is pending in the Supreme Court. The Central Government will have to await the decision of the Supreme Court before taking any further steps.

DEBT Foreign Exchange Position

2965. SHRI S.M. KRISHNA: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 631 given in the Rajya Sabha on 2nd June, 1998 and state:

(a) the status of India's debt and to what extent ASSOCHAM's advise has been found positive and worthy of implementing;

(b) the current foreign exchange reserves of the country; and

(c) the measures taken to maintain balance of payment position?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) As per the latest estimates, external debt of the country as on September 30, 1997 was US dollar 92.88 billion. Government is aware of ASSOCHAM's advice on issues relating to external debt. Policies are based on all available information.

(b) India's foreign exchange reserves comprising the foreign currency assets of the Reserve Bank of India (RBI), gold held by RBI, and Special Drawing Rights (SDRs) of the Government of India stood at US dollar 27.28 billion as on June 26, 1988.

(c) The measures to improve balance of payment position include: enhancing export competitiveness by reducing the interest rate spread charged (over LIBOR) on export credit provided by the scheduled commercial banks and also providing concessional credit on incremental exports over their level in 1997-98; encouraging inflows under foreign direct investment by expanding the list of industries and items eligible for automatic approval by the RBI; facilitating larger inflows under portfoilio investment by increasing the aggregate investment ceilings for Non-Resident Indians (NRIs) including Overseas Corporate Bodies; allowng flls to invest in Treasury Bills within the approved debt ceilings; and tapping NRI funds through proposed "India Millenium Scheme and "Resurgent India Bondsd"

Economic Sanctions Against India followng Nuclear Tests

2966. SHRI N.R. DASARI:
SHRI GURDAS DAS GUPTA:

Willi the Minister of FINANCE be pleased to state:

(a) the countries and institutions which nave announced economic sanctions against India as a fall out of the recent nuclear tests conducted by India; and

(b) the details of the sanctions announced by each of these countries and institutions;

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The USA has announced sanctions. Canda, Norway, Sweden, Denmark, Netherlands, Germany and Japan have frozen official assistance at current level/ reduced assistance. Consideration on some loans by the World Bank has been deferred though other loans have been cleared.

The sanctions/suspensions of official loans will mostly apply to new loans. The disbursements of loans already agreed upon is likely to remain unaffected. Humantarian aid will not be affected. Sanctions by the US also include denial of any credit, credit guarantees or other financial assistance by fhe US Government entities which includes termination of all new US EXIM Bank credits and credit guarantees for US exports to India as from May 13, 1998 as well as discontinuance of US Overseas